United Nations A/C.5/69/SR.30

General Assembly
Sixty-ninth session

Official Records

Distr.: General
13 March 2015

Original: English

Fifth Committee

Summary record of the 30th meeting
Held at Headquarters, New York, on Friday, 6 March 2015, at 10 a.m.

Chair: Ms. Rambukwella (Vice-Chair) ..... (Sri Lanka)
Chair of the Advisory Committee on Administrative and Budgetary Questions: Mr. Ruiz Massieu

Contents

Agenda item 131: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Progress towards an accountability system in the United Nations Secretariat

This record is subject to correction.

Corrections should be sent as soon as possible, under the signature of a member of the delegation concerned, to the Chief of the Documents Control Unit (srcorrections@un.org), and incorporated in a copy of the record.

Corrected records will be reissued electronically on the Official Document System of the United Nations (http://documents.un.org/).

15-03505 (E)

Please recycle

In the absence of Mr. Ružička (Slovakia), Ms. Rambukwella (Sri Lanka), Vice-Chair, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 131: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Progress towards an accountability system in the United Nations Secretariat (A/69/676 and A/69/802)

1. **Mr. Takasu** (Under-Secretary-General for Management), introducing the Secretary-General's fourth progress report on the accountability system in the United Nations Secretariat (A/69/676), said that the report described the measures taken in response to General Assembly resolution 68/264 and the progress made in the Secretariat-wide risk assessment, the implementation of results-based management, the strengthening of personal accountability and accountability in the field missions, and the link between the Umoja enterprise resource planning system, the International Public Sector Accounting Standards (IPSAS) and accountability.

2. Enterprise risk management was a modern managerial tool used to identify strategic responses to corporate risks. The current risks to the United Nations were very different from those of the previous generation, and the risk management strategy must change accordingly. After much preparatory work, the first Secretariat-wide risk assessment had been conducted to identify, evaluate and prioritize the greatest strategic risks to the Organization. The assessment had resulted in a risk register which included risk definitions, a full analysis of key risk drivers, a description of the controls already established by management and an outline of potential risk response strategies. Of the 23 risks identified, 9 had been categorized as "very high". Subsequently, at a joint meeting of the Policy Committee and the Management Committee in September 2015, senior officials had collectively identified six "critical" risk areas that required the immediate attention of senior management. Those areas, formally approved by the Secretary-General, were organizational structure and synchronization; organizational transformation; strategic planning and budget allocation; safety and security; extrabudgetary funding and management; and human resources strategy, management and accountability.

3. A governance structure which involved the entire Secretariat had been defined, with four main elements: the Management Committee, which would serve as the risk management committee for the Secretariat; the corporate risk owners, officials at the Under-Secretary-General and Assistant Secretary-General levels responsible for ensuring that the risks in each area were identified and risk mitigation strategies implemented; the risk treatment working groups; and the enterprise risk management focal point in the Office of the Under-Secretary-General for Management, who would provide technical and methodological support to the working groups. The corporate risk owners, assisted by the working groups, would report periodically to the Management Committee on the progress made.

4. The Secretariat was currently focusing its attention on the critical risk areas. As it faced new challenges and put in place mitigating strategies, however, new risks would emerge, some of the pre-identified risks would move down the priority list and others would move up, in a continuous process. Some of the most important benefits of implementing enterprise risk management would be the facilitation of ongoing open dialogue on strategic matters at the core of the Organization's activities, the promotion of sound governance and enhanced accountability, and the embedding of a risk-aware culture at all levels of the Secretariat.

5. The Secretariat was implementing results-based management through a phased approach in accordance with General Assembly resolution 68/264. The Office of Programme Planning, Budget and Accounts had provided tailored training for programme managers on the preparation of the 2016-2017 logical frameworks. The training had resulted in a number of modifications, including a greater focus on end-user benefits and more precise and measurable indicators. The Office of the Under-Secretary-General for Management had delivered nine training sessions on programme monitoring and reporting in New York, Vienna and Geneva, and was implementing a pilot for strengthening self-evaluation capacity within the Department of Management. The pilot was designed for existing staff whose functions were closely related to monitoring and evaluation or who had expressed an interest in learning how to conduct self-evaluations, an

area in which capacity had weakened over the preceding two decades. The pilot would serve as an example to other Secretariat entities with limited resources and no dedicated evaluation capacity.

6. A midyear review of the senior managers' compacts, designed to identify areas of weakness requiring attention before the end of the year, had been conducted for the first time in 2014. In response to the call in General Assembly resolution 68/264 for the Secretary-General to improve compliance with documentation slot dates, an indicator related to such compliance had been included in the 2015 compacts.

7. Accountability in the field missions could be challenging because of the unpredictable, evolving situations there. Since summer 2014, the Department of Peacekeeping Operations and the Department of Field Support had been implementing an accountability framework and scorecard mechanism which comprised indicators designed to measure such missions' performance in the implementation of conduct- and discipline-related functions, as well as new and more detailed reporting on those indicators. Risk management focal points had been established in the missions. Training activities to equip those focal points with the requisite skills to carry out risk assessments in missions were planned. A pilot scheme for the implementation of enterprise risk management in the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) was planned, and would be shared with and replicated in other missions.

8. The Ethics Office had completed an independent review of the policy on protection against retaliation. The changes which it had recommended were being reviewed by the Executive Office of the Secretary-General in consultation with relevant departments and offices. The Office had also completed its internal review of the financial disclosure programme and related policies.

9. The implementation of Umoja had led to a comprehensive revision of authorities, roles and responsibilities in the field missions and service centres, and the resolution of cross-functional issues and conflicts, such as the delegation of authority for procurement and logistics.

10. The introduction of IPSAS, which were based on accrual accounting, had resulted in the availability of more detailed and comprehensive information about the Organization's financial position, financial performance and cash flows, which had significantly enhanced transparency, a central element underpinning accountability.

11. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/69/802), said that the Advisory Committee welcomed the progress made thus far in developing the enterprise risk management system. It expected that key risks to the achievement of the organizational goals would be proactively managed and mitigated in a manner which supported the successful and timely delivery of mandates and the implementation of major initiatives on time and within budget. In results-based management, it welcomed the efforts to deliver training on the formulation of logical frameworks and programme monitoring and reporting.

12. The Advisory Committee noted the steps taken to develop the personal accountability system and looked forward to receiving information on the implementation of the revised performance management policy, subject to that policy's endorsement by the General Assembly. The Secretary-General's report, however, did not reflect the ways in which staff were held accountable in cases where lack of timely action, insufficient monitoring or delays resulted in waste, inefficient use of resources or financial loss to the Organization. The Advisory Committee believed that there was a need to address that gap in the United Nations accountability system. It recommended that the General Assembly should request the Secretary-General to provide in his next report proposals on the criteria to be used for evaluating performance and strengthening the personal accountability system, including mechanisms for enforcing such accountability.

13. The General Assembly had stipulated in its resolution 64/259 that the definition of accountability should include the responsible stewardship of funds and resources. The Advisory Committee noted the Secretary-General's statement in the fourth progress report that in order to assess individual and institutional performance simultaneously, as well as to strengthen alignment between the two at the highest level of the Organization, the performance of senior managers was reviewed against the targets in their annual compacts at the same time as the performance

of the Organization was reviewed against the indicators in the programme budget.

14. The Advisory Committee considered that greater emphasis should be placed on assessing the effective and efficient use of resources, including more accurate planning and estimation of budgetary requirements and rigorous financial management. It recommended that the General Assembly should request the Secretary-General to consider introducing additional objectives and indicators in the senior managers' compacts with a view to assessing their performance and holding them to account for the responsible stewardship of financial and human resources.

15. **Mr. Davidson** (South Africa), speaking on behalf of the Group of 77 and China, said that the Group supported the introduction of an effective accountability system across the Secretariat in order to embed a culture of greater accountability in the working habits of staff and improve financial and human resources management. The General Assembly had defined accountability in its resolution 64/259 as, inter alia, achieving objectives and high-quality results in a timely and cost-effective manner; truthful, objective, accurate and timely reporting on performance results; and responsible stewardship of funds and resources.

16. A lack of adequate information for decision-making hindered the enhancement of accountability and transparency and the improvement of the functioning of the Organization. Nevertheless, the Group was pleased to note the progress in implementation of the enterprise risk management system, results-based management, personal accountability and accountability in field missions. It welcomed the establishment of a risk register; the identification of critical risk areas; the formalization of an enterprise risk management governance structure; the designation of a corporate risk owner for each critical risk area; and the steps taken to address the 23 risks identified. It concurred with the Advisory Committee that enterprise risk management should not become simply a paper exercise but should contribute in a concrete manner to the strengthening of organizational accountability.

17. The Group would seek further information regarding the Organization's response to risk 5, the possibility that the inability to obtain extrabudgetary funding could affect the ability of certain departments to perform their mandates.

18. Staff training was essential to effective programme monitoring and reporting with a view to strengthening personal and institutional accountability.

19. The Group agreed with the Advisory Committee that the implementation of the recommendations of oversight bodies was an essential part of the accountability system, and urged the Secretary-General to intensify his efforts in that area.

20. The Group was disappointed by the continued weaknesses of senior managers in complying with the recruitment timeline, and called on the Secretary-General to speed up recruitment while bearing in mind the underrepresentation of many developing countries.

21. The Group would seek further information regarding the results of the pilot project for strengthening self-evaluation capacity in the Department of Management and clarification of the reasons for the removal from the senior managers' compacts in 2013 of the performance indicator related to the timely submission of reports for processing to the Department for General Assembly and Conference Management.

22. With regard to personal accountability, the link between performance appraisals and rewards or sanctions for all United Nations staff should be strengthened and the policy of zero tolerance of sexual exploitation or abuse should be implemented.

23. In informal consultations, the Group would seek further information regarding the pilot implementation of enterprise risk management in MONUSCO and the steps taken to improve accountability in the field missions and in procurement and to ensure compliance with the financial disclosure programme.

24. The Group remained of the view that the General Assembly should continue to receive annual progress reports on the implementation of the accountability framework, which was a continuous and ongoing exercise.

25. **Ms. Power** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, said that the

European Union welcomed the progress in the implementation of a Secretariat-wide enterprise risk management framework, a long-standing request of the Committee and other oversight bodies. Such a framework was essential to enhancing accountability, governance and oversight throughout the United Nations. She welcomed the steps taken by the Management Committee to clearly define ownership for each of the critical risk areas among senior managers, and agreed with the Advisory Committee that continued commitment at all levels was required to embed a culture of accountability in the working habits of the Secretariat. Although more should be done to hold senior managers accountable for the delivery not only of outputs but also of results, and to promote a culture of accountability, the implementation was moving in the right direction.

26. The European Union looked forward to receiving, in informal consultations, updates on the strengthening of personal accountability and accountability in procurement and the field missions. She welcomed the reference in the Secretary-General's report to the late submission of documentation, which had plagued the Committee, and expected direct oversight by the Management Committee to address the systemic challenges in that area. She also welcomed the recommendation of the Advisory Committee that senior managers should be held to account for the responsible stewardship of financial and human resources. The effective use of resources, which had a direct impact on the execution of mandates, should be central to any system of accountability. The European Union was ready to discuss the future frequency and content of the Secretary-General's progress report on the accountability system.

27. **Mr. Dettling** (Switzerland), speaking also on behalf of Liechtenstein, said that at a time when the United Nations was involved in several decisive reform projects for which substantial resources had been committed, it could not afford to operate without a responsible management system subject to reliable internal controls. The implementation of an accountability framework was essential to a modern and efficient United Nations.

28. The two delegations welcomed the progress made in risk management, particularly the conduct of the first Secretariat-wide institutional risk assessment, which the Secretary-General should develop and apply throughout the Organization. They wished to know what steps the Secretary-General had taken and intended to take to mitigate risks in the six critical areas.

29. The Secretary-General should intensify his efforts in results-based management, where progress had remained modest even though Member States had first adopted a resolution on results-based budgeting some 15 years earlier. The Secretariat had not followed up on all of the provisions of General Assembly resolution 68/264, including the requests for the Secretary-General to propose specific improvements to the existing programme performance report and to identify appropriate methods and tools to portray the efficiency with which the Secretariat undertook its work. Those failures were of particular concern because resolution 68/264 related specifically to accountability. The delegations for which he spoke would follow up on the matter in informal consultations.

30. Progress reports on the accountability system should be addressed biennially rather than annually. The Committee's workload had increased greatly in recent years and it needed to find ways of managing its work more effectively. Since the enhancement of accountability was a continuous process, a two-year interval between reports would make progress clearer. Reports on particular matters, or even on certain agenda items, should be addressed every two or three years, as appropriate.

31. **Mr. Onuma** (Japan) said that his delegation attached great importance to the strengthening of accountability in the Secretariat, which should administer itself in accordance with the Charter of the United Nations, the resolutions of the General Assembly and other legislative bodies, and the relevant rules and regulations. The Organization should embed a culture of accountability in the working habits of the Secretariat so that staff were held accountable for the quality and timely delivery of their work and managers were held accountable for effectively managing their staff.

32. With regard to enterprise risk management, Japan welcomed the conduct of the risk assessment exercise, the establishment of the risk register, the identification of the 23 risks to the Organization and the designation of a corporate risk owner for each of the 6 critical risk areas, which should be managed through mitigation strategies. The Secretary-General should embed

enterprise risk management throughout the United Nations to address new challenges.

33. His delegation noted the progress in training courses, self-evaluation, and the joint assessment of institutional performance and the performance of individual senior managers. All necessary action should be taken to implement results-based management in the bienniums 2014-2015 and 2016-2017.

34. Japan supported the Secretary-General's efforts to ensure that the senior managers' compacts were a meaningful and powerful instrument of accountability, and welcomed the inclusion in 2014 of an indicator related to the completion of the end-of-cycle performance appraisal. The compacts should also include a standard managerial indicator related to the timely issuance of official documentation, pursuant to General Assembly Resolution 69/250. Such an indicator was one of several measures needed to ameliorate the long-standing problem of the late issuance of documents, which had been particularly severe at the main part of the current session. He requested further details of the Secretariat's new policy on accountability for conduct and discipline in field missions. His delegation supported the views expressed by the Advisory Committee, which it would discuss further in informal consultations.

35. **Ms. Norman Chalet** (United States of America) said that the Secretary-General's report and the related report of the Advisory Committee constituted an important update on the implementation of enterprise risk management and results-based management; personal accountability; accountability in field missions; and the link between Umoja and IPSAS and accountability, procurement and ethics. Enhanced accountability was essential to improving the work of the United Nations. Every dollar wasted through inefficiency, mismanagement or corruption was a dollar not spent on achieving the Organization's essential tasks.

36. Her delegation welcomed the progress made in enterprise risk management, particularly the formal approval of the preliminary risk register, which summarized the top strategic risk areas for the Organization. It looked forward to learning more about the ways in which the United Nations was managing the register through the risk treatment working groups. Although embedding enterprise risk management throughout the United Nations was a continuous process, it should be conducted in a timely fashion.

37. With regard to results-based management, her delegation was encouraged by the tailored training for staff on budget preparation and programme monitoring and reporting. The Secretariat should monitor the impact of the training and inform Member States of the outcome of the pilot for strengthening self-evaluation capacity within the Department of Management. The United States shared the concern of the Advisory Committee regarding the need for a culture of accountability to be embedded in the working habits of the Secretariat. Without such a culture, the potential benefits of enterprise risk management to the performance of the United Nations would not materialize. The implementation of results-based management should be accelerated and senior managers' performance should be evaluated against the targets in their annual compacts. She requested further information regarding the managerial performance issues highlighted in the report of the Advisory Committee, since such issues would jeopardize the efficient use of the resources under the stewardship of the managers concerned.

38. With regard to accountability for conduct, discipline, and sexual exploitation and abuse in the field missions, her delegation looked forward to an update on the adoption by the senior management team of the new policy designed to ensure the implementation of the United Nations strategy to address misconduct in such missions through prevention, enforcement and remedial actions. The pilot implementation of enterprise risk management at MONUSCO was a welcome development. The lessons learned should be shared with other missions to help them conduct their own risk assessments. Her delegation welcomed the training to be provided to risk management focal points to ensure that missions had the skills necessary to conduct such assessments.

39. **Mr. Takasu** (Under-Secretary-General for Management) said that the Management Committee was responsible for reviewing the recommendations of the Board of Auditors, the Office of Internal Oversight Services and the Joint Inspection Unit, the three United Nations oversight bodies. Every quarter, the Management Committee considered the status of the implementation of the oversight bodies' recommendations, in particular when such implementation had taken more than 12 months. Many

such overdue recommendations were related to hardship duty stations.

40. Progress in the implementation of enterprise risk management in the Secretariat had been rapid. Senior officials had been entrusted with leadership in the six critical risk areas, supported by the risk treatment working groups, which would finalize their risk treatment and response plans by April 2015 for review by the Management Committee in May 2015.

41. With regard to managerial responsibility and financial management, the Secretariat accorded equal importance to collective and personal accountability, in line with the deliberations and instructions of Member States.

42. The Secretary-General's request at the sixty-eighth session that the progress report on the accountability system should be issued biennially had been rejected by the Member States. As the Advisory Committee pointed out in its report, the progress report on the accountability system was closely linked to human resources questions such as performance management, which were considered annually.

43. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions) said that the senior managers' compacts did not contain sufficient objectives and indicators for assessing the efficient use of resources. The general measures proposed by the Secretary-General did not address the specific managerial performance issues mentioned in the report of the Advisory Committee (A/69/802). It was for that reason that the Advisory Committee recommended that the General Assembly should request the Secretary-General to consider introducing additional objectives and indicators in the compacts with a view to ensuring accountability for the responsible stewardship of financial and human resources.

The meeting rose at 10.50 a.m.